



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

Date: June 20, 2011

PPL No. 11-008

TO: Local Governmental Agency Coordinators for the
Targeted Case Management Program

SUBJECT: **Requirements for Annual Performance Monitoring Plans, Home and
Community-Based Waivers, Third-Party Liability, and Contracting
Standards**

This Policy and Procedure Letter (PPL) is to advise Local Governmental Agencies (LGAs) of new Targeted Case Management (TCM) program requirements effective July 1, 2011, and to reinforce existing requirements for Performance Monitoring Plans (PMPs), Home and Community-Based waivers, third-party liability, and LGA contracting standards. These requirements pertain to non-duplication of services and other federal Medicaid requirements that the TCM program must adhere to. Additionally, they relate to the anticipated approval by the federal Centers for Medicare and Medicaid Services of the new State Plan Amendments (SPAs) defining TCM services and reimbursements.

Performance Monitoring Plans (PMPs)

The TCM Performance Monitoring Plan is required under Section 51271(a) in Title 22 of the California Code of Regulations (CCR) as follows:

“(a) A targeted case management provider of services shall be a local governmental agency and shall: 4) Have an established procedure for performance monitoring that assures the participating units are complying with state and federal requirements; 5) Make available to the department a performance monitoring plan, including protocols and procedures, establishing a countywide system to assure non-duplication of services and to ensure coordination and continuity of care among providers of targeted case management services to beneficiaries who are eligible to receive case management services from two or more programs.”

To provide assurance that claims for TCM will not duplicate claims for other programs or waivers with the implementation of the new TCM SPAs, LGAs must ensure that the PMPs meet all the following requirements effective July 1, 2011.

- All existing PMPs that do not have *specific procedures* to assure non-duplication as is currently required must revise their PMPs to become compliant. As with previous years, LGAs must file their PMPs with the Annual Participation Survey (APS), due this year August 1, 2011. LGAs, filing an APS that only includes a non-duplication policy and does not include detailed procedures for case managers to follow, will be required to revise their PMPs before reimbursement claiming for the fiscal year 2011/12 will be enabled in the TCM On-Line System for that LGA. Further guidance on filing PMPs will be included in the forthcoming APS.
- Identify in the PMP all other Medi-Cal programs or waivers that provide case management services to clients in their LGA.
- Detail the procedures and steps used to identify TCM clients receiving services through such programs. This must at least include client self-declaration by specifically querying clients for information about case management services they may be receiving elsewhere. It is strongly recommended that TCM programs identify contacts within their counties for any other programs or waivers with whom to check client participation. Evidence of client status in regard to other programs or waivers must be documented in client case notes.

As this requirement must be implemented in TCM programs by July 1, 2011, LGAs without this requirement already included in their PMPs must maintain documentation that this has been implemented in TCM programs by the effective date. This may include provider agency directives to case managers or other such internal documents.

- If client participation in other program or waiver is identified, LGAs must follow the detailed specific methods to coordinate that should be specified in procedures in their existing PMP. These procedures may include such elements as specific program contacts for other specific programs, frequency of contacts, protocols for coordination, etc. All such coordination must be documented in client case notes.

Section 1915(c) Home and Community-Based Waiver Programs

LGAs cannot claim reimbursement for TCM services provided to clients enrolled in any Section 1915(c) Home and Community-Based waiver program beginning with effective date of the new State Plan Amendments for TCM services, which DHCS expects to be July 1, 2011. However, once a client has been disenrolled from a §1915(c) waiver, TCM program may provide services. In these cases, evidence of client §1915(c) waiver status contemporaneous with the TCM service provided must be documented in the client case notes.

Third-Party Liability

As Medicaid is the payor of last resort, TCM programs must ascertain if clients have other non-Medi-Cal health insurance, and, if so, if that insurance includes case management services. TCM programs may only provide services to the extent those services are not covered by any other health insurance the client may have. Client status regarding other health insurance must be documented in client case notes as well as the extent of any coverage for case management included under that other health insurance.

LGA Contracting Standards

Welfare & Institutions Code Section 14132.44 allows for LGAs to subcontract with other public and private entities to provide TCM. In addition to the provider qualifications identified in the State Plan, LGAs, as government entities, also have their own specific standards that contractors must meet before entering into a contract with the LGA.

Although Medicaid requires that any willing provider must be able to become a TCM provider, LGAs may apply provider qualification standards in selecting TCM subcontractors to ensure such factors as provider competency, integrity, financial solvency, etc., so long as these standards are applied fairly to all applicants. LGAs with subcontracts for TCM must include these standards in writing in their TCM program documentation and have them available for review or audit, as well as documentation that the standards have in fact been applied fairly to all applicants. Examples of these standards are: the process used to bid, or other government fair contract award process, their methods in determining whether a service provider is financially sound (can consistently meet payroll, etc.), standards for demonstrating they can provide continued care over time, and whether or not they are able to keep a TCM dedicated audit reserve fund that equals or exceeds expected TCM program costs.

If you have any questions regarding this PPL, please contact Tracy Albano, TCM Chief at (916) 552-9538 or Tracy.Albano@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY GERI BAUCOM

Geri Baucom, Chief
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